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MONTANA LEGISLATIVE HISTORY

Chapter 600 19 85

Bill H 460 S _____ Original bill & history ____C

H. Committee on Business & Labor		S. Committee on Business & Industry	
Hearing Date(s) Feb 08	✓ C	Hearing Date(s) Mar 18	___ C
_____	____ C	Mar 20	✓ C
_____	____ C	_____	____ C
_____	____ C	_____	____ C
Date Out Feb 08	✓ C	Mar 20	✓ C

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____ Report _____

HOUSE FINAL STATUS

1/31	COMMITTEE REPORT-BILL PASS AS AMENDED		
2/02	2ND READING PASS	87	0
2/04	3RD READING PASS	99	0
	TRANSMITTED TO SENATE		
2/07	REFERRED TO AGRICULTURE, LIVESTOCK & IRRIG.		
2/13	HEARING		
2/14	COMMITTEE REPORT-BILL CONCURRED		
2/19	2ND READING CONCURRED	45	0
2/21	3RD READING CONCURRED	49	0
	RETURNED TO HOUSE		
2/23	SIGNED BY SPEAKER		
2/25	SIGNED BY PRESIDENT		
2/25	TRANSMITTED TO GOVERNOR		
2/28	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 52 EFFECTIVE DATE: 10/01/85		

460 INTRODUCED BY THOMAS, SIMON
FEES TO COVER COSTS OF EXAMINING STATE FINANCIAL INSTITUTIONS
BY REQUEST OF DEPARTMENT OF COMMERCE

1/24	INTRODUCED		
1/24	REFERRED TO BUSINESS & LABOR		
1/25	FISCAL NOTE REQUESTED		
2/01	FISCAL NOTE RECEIVED		
2/08	HEARING		
2/09	COMMITTEE REPORT-BILL PASS AS AMENDED		
2/09	STATEMENT OF INTENT ATTACHED		
2/12	2ND READING PASS	95	1
2/13	3RD READING PASS	93	7
	TRANSMITTED TO SENATE		
2/14	REFERRED TO BUSINESS & INDUSTRY		
3/18	HEARING		
3/20	COMM REPORT-BILL CONCURRED AS AMENDED		
3/22	REREFERRED TO BUSINESS & INDUSTRY		
3/25	COMM REPORT-BILL CONCURRED AS AMENDED		
3/27	2ND READING CONCURRED	50	0
3/29	3RD READING CONCURRED	45	4
	RETURNED TO HOUSE WITH AMENDMENTS		
4/05	2ND READING AMENDMENTS CONCURRED	88	6
4/08	3RD READING AMENDMENTS CONCURRED	93	3
4/15	SIGNED BY SPEAKER		
4/16	SIGNED BY PRESIDENT		
4/18	TRANSMITTED TO GOVERNOR		
4/23	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 600 EFFECTIVE DATE: 4/23/85		

461 INTRODUCED BY BRADLEY, WINSLOW
ALLOW DEPOSIT OF HEALTH LAB FEES IN FEDERAL AND OTHER SPECIAL REVENUE FUND

1/24	INTRODUCED
1/24	REFERRED TO STATE ADMINISTRATION
2/06	HEARING

that no exemptions exist in the present law. The present law is not being enforced and the $5 for licensing fee, does not cover the cost of issuing such license. This is a consumer bill that will make competition more fair, added Mr. Wordal.

Proponent George Allen, representing the Montana Retail Association, stated that this restricts transient merchants. His association is not afraid of the competition, but want these people to pay taxes and employ workers. Mr. Allen suggested that a two week waiting period be required from issuance of a license, before being allowed to sell merchandise.

Proponent Frank Capps, Director, Montana Food Distributors Association, represents 686 retail grocery stores, who support House Bill 552.

Proponent Marvin Cox, a furniture store operator in Shelby, added that these transient merchants do not add or contribute to the state or local communities.

Proponent Larry Wolsten, a grocery store owner in Cut Bank, offered his support of the bill.

Opponent H. S. Hanson, Vice-President of the Yellowstone Metra Center, explained that he does support the concept of the bill, but that it was drafted in an erroneous manner. The bill should state what it does cover, rather than the exemptions. Mr. Hanson stated that the bill would effect fairs, home shows, etc., that set up in the metra.

Opponent Happy Feeder, a bakery owner from Fairfield, presented testimony, a copy of which is attached hereto as Exhibit 6.

Representative Thomas asked Blake Wordal if the exclusions could be reversed and if a bond could be required for the state, rather than each county. Mr. Wordal, explained that without the exclusions every merchant would be covered and that the $30-$35 put up for a bond is returned within six months.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 468 was closed.

HOUSE BILL 460: Hearing commenced on House Bill 460. Representative Fred Thomas, sponsor of the bill, stated that this bill allows the Department of Commerce to recover all of the costs of supervision from state-chartered banks, trust companies, investment companies, building and loan associations, credit

unions and sales finance companies. The fees must be established by rule before June 1 each year.

Proponent Sam Hubbard, Deputy Director, Department of Commerce, explained that House Bill 460 would save the department approximately $136,000 per year.

Proponent Representative Bruce Simon, stated that the fees being charged for bank examining are not covering the costs to perform the exams and that bank examining is an important training tool for bank employees.

Opponent John Cadby, representing the Montana Bankers Association, explained that prior to 1983 banks paid for their own exams and that they now should be required to pay a portion of this fee. The department is providing a service to the public and the taxpayer should share this expense. Mr. Cadby suggested to the committee this fee be 50% to the bank and 50% to the taxpayer. If the fee continues to increase, it will create an incentive for banks to join national charters, added Mr. Cadby.

Opponents Dick Morgan, representing Valley Bank and a former bank examiner, and E. Dean Retz, representing Valley Bank, offered their support of House Bill 460.

Representative Schultz asked Sam Hubbard if 9 percent of the fees collected would be used on other activities. Mr. Hubbard explained that the fees will be used for bank examining purposes only.

Representative Driscoll asked Mr. Hubbard if any other boards within the Department of Commerce are subsidized by taxpayers. Mr. Hubbard explained that all but one, are funded by the members they serve.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 460 was closed.

ACTION ON HOUSE BILL 460: Representative Thomas moved that House Bill 460 DO PASS. Representative Schultz moved to amend the bill to take out the special revenue fund and put back in the general fund. The amendment did pass unanimously. Representative Thomas moved the Statement of Intent, which was carried unanimously. Representative Brandewie explained that 100% may be excessive and that 80% may be reasonable. Representative Schultz was in agreement. Representative Driscoll explained that a credit union can pay more than 100% as the fee is based on a percentage of their assets, and why should taxpayers subsidize banks. Question being called, the vote resulted in all but

Representative's Kitselman, Brandewie, Howe, Hart, Keller, Jones and Wallin voting yes. House Bill 460 DO PASS AS AMENDED WITH STATEMENT OF INTENT.

ACTION ON HOUSE BILL 468: Representative Brandewie made a motion that House Bill 468 DO PASS. Second was received and the motion carried unanimously.

ACTION ON HOUSE BILL 554: Representative Kadas moved that House Bill 554 DO PASS. Representative Kadas then moved the proposed amendments. Representative Thomas asked the committee to postpone action on House Bill 554, to allow time for further amendments. Representative Kadas withdrew his motions.

ACTION ON HOUSE BILL 639: Representative Kadas moved DO PASS on House Bill 639. Representative McCormick moved that sections 6, 7 and 8 be stricken from the bill. Said motion was carried unanimously.

Representative Driscoll moved that section 9 be stricken from the bill. He explained that the federal courts don't allow polygraph tests and they are not fool proof. Representative Kitselman added that drugs are being taken to alter the accuracy of this test. Question being called, the amendment did pass unanimously. Representative Nisbet moved to amend the title and section 10 of the bill, which carried unanimously. Representative Simon moved that a section be added to allow for rulemaking authority. Paul Verdon, staff researcher explained that rulemaking authority is not needed but an extension of authority is. A new section granting extension of authority, did pass unanimously. House Bill 639 DO PASS AS AMENDED, by unanimous decision.

ACTION ON HOUSE BILLS 132 AND 162: Chairman Pavlovich explained that the subcommittee suggested committee bills be drafted for House Bill 132 and House Bill 162. Representative Kitselman moved to draft the bills. Representative Glaser, explained that three bills are needed, rather than two. The motion carried unanimously, three committee bills will be prepared.

There being no further business before the committee, the meeting was adjourned at 10:50 a.m.

Rep. Bob Pavlovich

BOB PAVLOVICH, Chairman

DAILY ROLL CALL

BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date Feb. 8, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd			✓
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		•
Vernon Keller	✓		
Lloyd McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

CS-30

STANDING COMMITTEE REPORT

February 8 19 85

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration HOUSE Bill No. 460

FIRST reading copy (WHITE color)

FEES TO COVER COSTS OF EXAMINING STATE FINANCIAL INSTITUTIONS

Respectfully report as follows: That HOUSE Bill No. 460

BE AMENDED AS FOLLOWS:

1) Title, line 8
Following: "AUTHORITY"
Strike: the remainder of line 8, line 9 in its entirety, and line 10 through "FUND;"

2) Title, line 10
Following: "SECTIONS"
Strike: "31-1-221,"

3) Title, line 11
Following: line 10
Strike: "32-1-215, 32-2-102,"
Following: "32-2-113,"
Strike: "32-3-201, 32-3-204,"

DO PASS:

Rep. Robert Pavlovich, Chairman.

STATE PUB. CO.
Helena, Mont.

COMMITTEE SECRETARY

4) Page 2, line 1
Following: "~~fund~~"
Strike: the remainder of line 1 and line 2 through "function"
Insert: "the general fund"

5) Page 2, line 8
Following "~~fund~~"
Strike: the remainder of line 8, line 9 in its entirety, and line 10 through "function"
Insert: "the general fund"

11
6) Page 2, line ~~X~~ through Page 3, line 5
Strike: Sections 2 and 3 in their entirety
Renumber: subsequent sections

7) Page 3, line 8
Following: "~~the general fund of~~"
Insert: "the general fund of"

8) Page 3, line 9
Following: "state"
Strike: the remainder of line 9 and line 10 through "function"

8
9) Page 4, line 5, through Page 6, line 20
Strike: Sections 5 and 6 in their entirety
Renumber: subsequent sections

10) Page 7, line 14, through Page 9, line 4
Strike: Section 8 in its entirety
Renumber: subsequent sections

AND AS AMENDED, DO PASS
STATEMENT OF INTENT ATTACHED

Rep. Robert Pavlovich, Chairman.

STATE PUB. CO.
Helena, Mont.

STATEMENT OF INTENT

A statement of intent is required for this bill because it authorizes the department of commerce to adopt rules establishing fees for the examination of building and loan associations and consumer loan businesses. The bill also authorizes the department to establish fees for the examination of other financial institutions. It is the intent of the legislature that fees established under this bill be set to recover the costs of the program implemented.

Rep. Robert Pavlovich, Chairman.

STATE PUB. CO.
Helena, Mont.

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

March 18, 1985

The fortieth meeting of the Business & Industry Committee met on March 18, 1985 at 10 a.m. in Room 410 of the Capitol Building. The meeting was called to order by Chairman Mike Halligan.

ROLL CALL: All committee members were present.

DISPOSITION OF HOUSE BILL 460: Representative Fred Thomas, House District #62, is the chief sponsor of this bill which he explained was at the request of the Department of Commerce. It would change from 80% to 100% the costs of recovering the administration of the banks inspection program. He would like to change the bill to state that the funds going into the general fund would go into a special reserve revenue fund so that if the fees collected were higher than needed for one year it could remain in the account for the following year.

PROPONENTS: Les Alke, representing the Montana Banker's Association, stated they recognize this is primarily a bill establishing a users fee covering the total cost of the financial division. It would affect banks, credit unions, savings & loans and consumer loan licensees. They feel it should be put into a special revenue account so that it would not be a form of tax. They are in support of the 100% user fee appropriating enough to finance the total operation. (EXHIBIT 1)

Sam Hubbard, Deputy Director of the Department of Commerce, stated Montana is one of few states still using general fund for this administration and this would just update legislation and also save $158,000 general fund over the next biennium. They do not object to the funds being put into a special revenue fund.

OPPONENTS: There were none.

Questions were then called for. Senator Goodover wondered why the House had amended it back into general fund. Les Alke felt the original intent was not to make it 100% funded and if that were the case then it would have to have been general fund. Senator Gage asked if part of the supervision of banks includes examining trust assets. Les Alke explained they just see that the trusts are being administered properly but the fee is based on the assets of the bank plus the $200 fee. Fred Napier, stated the assessment fee was based on assets but that this legislation would base it on the actual cost of administration. Les Alke noted the bill requires the commissioner to establish the assessment fee at a level that will fund the total cost of the division administration.

Senator Thayer wondered about the wording in the bill and was told the rulemaking authority would be the same but instead of going into the general fund the revenue would go into a special revenue account. The hearing was closed on House Bill 460 by Representative Thomas.

NAME: Les Alke DATE: 3/18/85

ADDRESS: 1 Last Chance Gulch - Helena

PHONE: 443-4122

REPRESENTING WHOM? Mont. Bankers. Assn.

APPEARING ON WHICH PROPOSAL: H.B. 460

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: With amendments to revert to bill as originally submitted to House

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

EXHIBIT 1
BUSINESS & INDUSTRY
March 18, 1985

he had about ranches being excluded. Senator Gage then MOVED TO END THE SENTENCE AFTER RANCHES AND STRIKE THE REMAINDER OF THE SENTENCE ON PAGE 4, Lines 17 and 18. The motion carried.

Senator Thayer then MOVED TO ADOPT THE AMENDMENT PROPOSED CONCERNING BOUNDARIES FOR PLUMBERS AND LABORERS. The motion carried. (EXHIBIT 10) Senator Fuller then MOVED TO CONCURR IN HOUSE BILL 707 AS AMENDED. The motion carried. Senator Gage will carry the bill on the Senate floor.

DISPOSITION OF HOUSE BILL 460: The sponsor of the bill had requested that the language referring to the revenue fund be reverted back to the original language. (EXHIBIT 11) Senator Fuller then MOVED TO ADOPT THE AMENDMENT. The motion carried.

Senator Thayer MOVED THE BILL AS AMENDED BE CONCURRED IN. The motion carried.

DISPOSITION OF HOUSE BILL 395: Senator Fuller MOVED THE AMENDMENT PROPOSED BY REP. BROWN REGARDING EMPLOYEES. (EXHIBIT 12) This motion carried.

Senator Christiaens then MOVED THE AMENDMENT PROPOSED BY THE MONTANA TRIAL LAWYERS REGARDING THE DRINKING AGE. (EXHIBIT 13) This motion carried.

Senator Thayer wondered if this deals with the outrageous situation that Karl England had referred to in the hearing. Senator Halligan had made some calls trying to define the outrageous situation and felt one could not extract oneself from gross negligence and there was therefore no need to put this into the bill. Senator Christiaens expressed reservations about the bill. Senator Boylan wondered if the barowners could still obtain insurance if things continue as they are now. It was felt the biggest problem was with drinking at private parties and not with bartenders anyway. There is a criminal statute on the books that states if you serve someone who is obviously intoxicated you are criminally liable. Senator Fuller expressed some sensitivity for the barowners and felt we should try to define the outrageous situation.

Senator Boylan then made a MOTION THAT HOUSE BILL 395 NOT BE CONCURRED IN. The motion carried. Senator Thayer, Senator Williams and Senator Fuller voted "no". Senator Halligan will carry the bill on the Senate floor.

The meeting was adjourned at 11:30 a.m.

SENATOR MIKE HALLIGAN, CHAIRMAN

cd

EXHIBIT 11
BUSINESS & INDUSTRY
March 20, 1985

Amendments to HB 460:

1. Title, line 10.
Following: "~~FUND;~~"
Insert: "PROVIDING THAT ALL FUNDS COLLECTED AS A RESULT OF ASSESSMENTS BE DEPOSITED IN THE STATE SPECIAL REVENUE FUND;"

2. Page 2, line 3.
Strike: "THE GENERAL FUND"
Insert: "THE STATE SPECIAL REVENUE FUND FOR THE USE OF THE DEPARTMENT IN ITS EXAMINATION FUNCTION"

3. Page 2, line 11.
Following: "~~function~~"
Strike: "THE GENERAL FUND"
Insert: "THE STATE SPECIAL REVENUE FUND FOR THE USE OF THE DEPARTMENT IN ITS EXAMINATION FUNCTION"

4. Page 3, lines 9 and 10.
Following: "~~fund of~~" on line 9
Strike: remainder of line 9 through "FUND OF" on line 10

5. Page 3, line 11.
Following: "~~function~~"
Insert: "SPECIAL REVENUE FUND FOR THE USE OF THE DEPARTMENT IN ITS EXAMINATION FUNCTION"

STANDING COMMITTEE REPORT

MARCH 20 19 85

MR. PRESIDENT

We, your committee on BUSINESS & INDUSTRY

having had under consideration HOUSE BILL No. 460

third reading copy (blue color)

FEES TO COVER COSTS OF EXAMINING STATE FINANCIAL INSTITUTIONS
(Gage)

Respectfully report as follows: That HOUSE BILL No. 460

be amended as follows:

1. Title, line 10.
Following: "~~PUNR;~~"
Insert: "PROVIDING THAT ALL FUNDS COLLECTED AS A RESULT OF ASSESSMENTS BE DEPOSITED IN THE STATE SPECIAL REVENUE FUND;"

2. Page 2, line 3.
Following: line 2
Strike: "THE GENERAL FUND"
Insert: "the state special revenue fund for the use of the department in its examination function"

3. Page 2, line 11.
Following: "function"
Strike: "THE GENERAL FUND"
Insert: "the state special revenue fund for the use of the department in its examination function"

4. Page 3, line 9 and 10.
Following: "fund-of" on line 9
Strike: remainder of line 9 through "FUND OF" on line 10

5. Page 3, line 11.
Following: "function"
Insert: "special revenue fund for the use of the department in its examination function"

~~DO PASS~~ AND AS AMENDED
BE CONCURRED IN

~~DO NOT PASS~~

Sen. Mike Halligan Chairman.